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STATE FOR EAP, PM, S/CT, AND EAP/MTS
USPACOM ALSO FOR FPA HUSO
SECDEF/OSD/ISA/AP (LAWLESS/TOOLAN/BAILEY)
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E.O. 12958: DECL: 11/06/2016

TAGS: [PGOV](#) [MARR](#) [PREL](#) [RP](#)

SUBJECT: DEFENSE REFORM AND C-T OPERATIONS TO CONTINUE
AFTER SECDEF RESIGNATION

Classified By: Ambassador Kristie A. Kenney, reasons 1.4 (b) and (d)

¶1. (C) In a private meeting with Ambassador on November 6, Presidential Executive Secretary Eduardo Ermita made clear that the Philippines remained fully committed to comprehensive implementation of the Philippine Defense Reform (PDR) program despite the November 5 resignation of Defense Secretary Avelino Cruz, Jr., which will take effect November

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¶30. Ermita described PDR as an "irreversible" program of institutional change, noting that elements of it had actually begun during his own tenure as Defense Secretary, just before Cruz came into office. Ermita also stressed that U.S.-Philippine counter-terrorism efforts would continue regardless of who is named SecDef. Ambassador reiterated U.S. support for this important Philippine program and assured Ermita that we would continue to work closely with the new Defense Secretary once he is named.

¶2. (C) Political observers had been speculating for at least the past week on Cruz' likely departure from the Cabinet, where he had served for almost six years in different capacities, following his public broadside against the "People's Initiative" effort to amend the Constitution, which he labeled "harebrained." Reports circulated openly in the media that three members of the Cabinet were "gunning" for Cruz. According to Malacanang insiders, these included Ermita as well as Justice Secretary Raul Gonzalez and National Security Advisor Norberto Gonzales, while media reports fingered Presidential Chief of Staff Mike Defensor and Political Advisor Gabby Claudio.

¶3. (C) Some DND Undersecretaries whom Cruz appointed will likely resign soon as well, but Ermita assured the Ambassador that those most closely shepherding PDR -- notably, U/S Ernesto Carolina -- will remain in place.

¶4. (C) Comment: PDR has already gained so much momentum and buy-in from the Philippine Government, Philippine Department of National Defense, and Armed Forces of the Philippines that Cruz' departure should not hinder further progress on its goals. Similarly, the President and the Philippine Armed Forces are four-square behind C-T operations against terrorists in Mindanao. Embassy will continue closely to work with Philippine Defense and Armed Forces officials on PDR, counterterrorism, training, and other bilateral mil/mil efforts with this treaty ally. Ambassador has a previously scheduled November 8 meeting with Secretary

Cruz, at which she will convey our appreciation for his leadership role, offer best wishes in his next career, and pledge continued support for his eventual successor. She will soon also meet with Armed Forces Chief of Staff Esperon to gauge the service chiefs' reactions. PM A/S Hillen's scheduled November 10 meeting with Cruz will provide a timely opportunity to reiterate our points. If possible, letters of appreciation to Cruz from Secretary Rumsfeld and Admiral Fallon would be most welcome as well. The first civilian to serve as Defense Secretary since the martial law period under Marcos, Cruz was instrumental in reforming, resourcing, and de-politicizing the Philippine Armed Forces.

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KENNEY